

**223—48.6(303,404A) Application and review process.**

**48.6(1)** All applications for historic tax credits shall be on forms and in accordance with instructions provided by the SHPO. Application forms are available from the Tax Incentives Program Manager, State Historic Preservation Office, Department of Cultural Affairs, 600 E. Locust Street, Des Moines, Iowa 50319-0290. Applications may also be downloaded from the following Web site: [www.state.ia.us/government/dca/shsi/preservation/financial assistance/state tax credit/ia state tax credit.html](http://www.state.ia.us/government/dca/shsi/preservation/financial%20assistance/state%20tax%20credit/ia%20state%20tax%20credit.html).

*a.* Part one of the application identifies the eligibility of the property for the historic tax credit. Part one of the application must include all requested information. SHPO staff shall notify the applicant in writing if part one of the application is incomplete. Incomplete applications will not be processed.

*b.* Part two of the application provides a detailed description of the rehabilitation project. Part two of the application must include all requested information. SHPO staff shall notify the applicant in writing if part two of the application is incomplete. Incomplete applications will not be processed.

*c.* Part three of the application provides the information and documentation required to request certification of project completion and must include all requested information including certification in accordance with subrule 48.4(6). SHPO staff shall notify the applicant in writing if part three of the application is incomplete. Incomplete applications will not be processed. Incomplete applications may be subject to abandonment as outlined in rule 223—48.11(303,404A).

*d.* Amendments to applications. An applicant may amend an approved part two of the application to notify SHPO of, and to request review of, modifications to the original description of the rehabilitation project. Amendments to part two of the application shall not include modification of the rehabilitation costs estimated in the originally approved part two of the application. Amendments to part two of the application shall not result in the reservation of additional tax credits for a project.

**48.6(2)** SHPO staff trained by the National Park Service for reviewing rehabilitation projects to ensure compliance with Standards will review part two and part three of each submitted application.

**48.6(3)** SHPO staff shall review and respond in writing to part two or part three of each completed application or to amendments to part two of an application (see rule 223—48.8(303,404A)) within 90 days of receipt.

*a.* If an applicant submits more than one part of an application simultaneously, SHPO staff shall review each part sequentially.

*b.* If an applicant submits more than one part of an application simultaneously, SHPO staff shall respond in writing to each completed application part sequentially, within 90 days of approval of the previous part of the application.

**48.6(4)** A part two of an application that includes the same scope of work as a rehabilitation project which qualifies for the federal rehabilitation credit under Section 47 of the Internal Revenue Code shall automatically be approved when submitted in accordance with rule 223—48.8(303,404A) and to the extent that all historic tax credits appropriated for the fiscal year have not already been reserved.

**48.6(5)** Response to application parts.

*a.* Review of part one of the application shall result in one of two responses:

- (1) The property is eligible for the historic tax credit; or
- (2) The property is not eligible for the historic tax credit.

*b.* Review of part two of the application shall result in one of three responses which may be provided to the department of revenue:

(1) The rehabilitation described in the application is consistent with the historic character of the property or the district in which it is located, and the project meets the Standards. The initial review of part two is a preliminary determination only. A formal certification of rehabilitation shall be issued only after rehabilitation work is completed;

(2) The rehabilitation or proposed rehabilitation described in part two of the application will meet the Standards if the stipulated conditions are met; or

(3) The rehabilitation described in part two of the application is not consistent with the historic character of the property or the district in which it is located, and the project does not meet the Standards.

c. Review of part three of the application shall result in one of two responses which may be provided to the department of revenue:

(1) The completed rehabilitation meets the Standards and is consistent with the historic character of the property or the district in which it is located. Effective on the date of approval of part three of the application, the project shall be designated a “certified rehabilitation”; or

(2) The rehabilitation is not consistent with the historic character of the property or the district in which it is located, and the project does not meet the Standards.

d. Questions concerning specific tax consequences or interpretation of the state tax code must be addressed to the department of revenue.

**48.6(6)** Approval of part one of the application. Upon approval of part one of the application, an applicant may proceed to submission of part two of the application. If the applicant submitted part two of the application simultaneously, the SHPO shall complete review of part one of the application before reviewing part two of the application.

**48.6(7)** Approval of part two of the application.

a. Upon approval of part two of the application with no conditions, the SHPO shall reserve tax credits for the project in an amount equal to 25 percent of the estimated qualified rehabilitation costs for the next available tax credit year, and the applicant may proceed to implement the project.

b. Upon approval of part two of the application with conditions, the SHPO shall reserve tax credits for the project in an amount equal to 25 percent of the estimated qualified rehabilitation costs for the next available tax credit year. The applicant may proceed to implement the project, and the applicant shall document compliance with the conditions.

c. An authorized representative of the SHPO, with due notice to the applicant, may inspect projects to determine if the work meets the Standards.

**48.6(8)** Approval of part three of the application. Upon approval of part three of the application, the SHPO shall issue a tax credit certificate to the applicant in an amount equal to 25 percent of the qualified rehabilitation costs as estimated in part two of the application for the tax credit year originally reserved for the project upon approval of part two of the application, unless the qualified rehabilitation costs in part three of the application differ from the estimated qualified rehabilitation costs in part two of the application.

a. If the qualified rehabilitation costs documented in part three of the application are less than the qualified rehabilitation costs estimated in part two of the application, the SHPO shall return any unused tax credits to the available tax credit pool for other projects in the same funding queue.

b. If the qualified rehabilitation costs documented in part three of the application are greater than the qualified rehabilitation costs estimated in part two of the application, the SHPO shall issue a tax credit certificate to the applicant in an amount equal to 25 percent of the documented qualified rehabilitation costs that exceed the qualified rehabilitation costs estimated in part two of the application for the next available tax credits in the same funding queue from which tax credits were initially awarded according to procedures established in rule 223—48.8(303,404A).